

18th CONGRESS, }
1st Session.

[68]

MEMORIAL

OF THE

Chamber of Commerce

OF

THE CITY OF NEW YORK,

Remonstrating against the passage of the Bill to amend the several Acts,

FOR

IMPOSING DUTIES ON IMPORTS.

WASHINGTON :

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1824.

MEMORIAL.

To the Honorable the Senate and House of Representatives of the United States in Congress assembled:

The Memorial of the Chamber of Commerce of the City of New York,

RESPECTFULLY REPRESENTS:

That, in common with their fellow-citizens in various parts of the Union, who have embarked their property in commerce and navigation, your memorialists have seen, with alarm and surprize, in the bill "to amend the several acts for imposing duties on imports," commonly called the Tariff bill, and now before your honorable body, principles and details which, if sanctioned by Congress, and embodied into a law, will deeply affect the rights and interests, not of your memorialists only, but of almost every other class of their fellow-citizens.

With the highest respect for your honorable body, but with the plainness and sincerity becoming freemen, we beg leave to lay before you, some of the numerous evils which would result from the proposed bill, should it become a law.

During the late war with Great Britain, much encouragement was given by the National Legislature to the manufactures of this country, and when the war terminated, it was deemed by Congress an act of justice, as well as a measure of policy, to establish a tariff of duties, which, while it should not operate severely on the other great interests of the community, would be a protection to those who had been induced to invest capital in manufacturing establishments. The tariff of 1816, which was then formed, has, with some alterations, continued to this time; and, it so far fostered domestic manufactures, that they soon recovered from the embarrassments which followed the great influx of foreign goods in 1815, and have since, in most cases, when managed with skill and prudence, and aided by sufficient capital, been prosperous and profitable; and we do not hesitate to assert, that money vested in such establishments, has yielded better returns than money employed in commerce, navigation, or agriculture. Since that tariff has been in operation, the charges on importing foreign goods, including duties and premium on exchange, have varied from 40 to 50 per cent. on the first cost of those which pay *ad valorem duties*, and a much higher rate on those charged with *specific duties*: the premium to our manufactures has consequently been, from two-fifths to one-half of the first cost of all

foreign articles which come in competition with our domestic products. Though this encouragement to the industry of one class of the community is liberal, almost to excess, still the other classes, confiding in the equity of the Government, and knowing that further aid was required in its fiscal concerns, have patiently acquiesced, in the full belief, however, that heavier burdens would not be imposed, unless the necessities of the nation required them.

It was supposed, that this ample protection would have satisfied the manufacturing interest, but the repeated demands which have since been made, shew how delusive has been this expectation; and that the object aimed at, and constantly kept in view, is a monopoly: we ought not, and will not charge, all of this class of our fellow-citizens, with this engrossing disposition; among the manufacturers of the United States, we see numbers of our wisest, most patriotic, and most deserving citizens, who carry on this branch of industry with profit to themselves and benefit to their country; such as these wish not further duties for their own protection; they believe, that sufficient encouragement has been already extended to the manufacturing class, and that the hot bed stimulus of the proposed bill is not wanted to cherish the *well-managed* manufactories which now exist, or to rear up others of a similar description. Nor would we be understood to charge the *mechanics* of the United States with a disposition to promote laws to foster their exclusive interests; on the contrary, this numerous and respectable class of our fellow-citizens have the strongest motives to raise their voice in opposition to most of the provisions of the proposed bill. The ship builder, the carpenter, the blacksmith, the ropemaker, the dyer, the hatter, the shoemaker, the saddler, the machinist, with every other class of mechanics, and all the laboring classes of the community, are identified with the merchant and the farmer; their interests cannot be promoted by an enormous duty on hemp, iron, and wool, or by laws which discourage commerce and navigation; they are the great consumers of the country, and it cannot be supposed, that a statute which adds to the price of every article of their clothing, of every agricultural implement, every tool used in their various trades, should be acceptable to them, especially, if intended to give still further benefits to a class of citizens which has already received its full share of the protection and patronage of Government.

Since the establishment of the Tariff of 1816, and of the few changes subsequently made, the *national revenue* has gone on prosperously, and notwithstanding the universal depression of commerce in Europe and America, it has, since that period, been sufficient to provide for all the engagements and expenses of the Government, and to keep up and extend the great *national institutions*, and to leave a surplus in the Treasury, so large, as we are informed from high authority, as to enable the Treasury Department to anticipate, by nearly twelve months, the reimbursement of many millions of the public debt.

We may fairly infer, therefore, that the *necessity of a greater revenue*, will not be among the motives to pass the bill in question.

Your memorialists have always believed, that the true and legitimate object of taxation is revenue, and that the power "to lay and collect taxes, duties, and imposts," which is given to Congress by the Constitution of the United States, was not granted with the intention, nor will it bear the construction, that it may be so exercised, as to cherish and elevate one class at the expense of all the other classes of our Citizens. The Constitution imposes on Congress the great duty of "promoting the general welfare." To lay taxes which will operate as prohibitions and restrictions on trade, which will promote exclusive interests at the national expense, which imposes heavy burdens on the many, and gives to the few the benefits of a monopoly, cannot be consistent with that sacred duty. Nor can we believe that the general welfare will be promoted by attempts to regulate the industry of individuals, by forcing them out of employments in which they have acquired skill and experience, into others, of which they are ignorant: or by laws inevitably leading to illicit trade and infractions of the revenue.

Popular sentiment with regard to evasions of the revenue laws has hitherto been on the side of Government, and the moral feeling of the people has been a greater security to the collection of the revenue, than all the oaths and regulations of the custom houses: establish prohibitory or extravagant duties, and the sense of injury which would arise from the belief that the burden is laid to promote a particular interest, superadded to the desire to profit by illicit traffic, would enlist public opinion in favor of the contraband dealer, and he would enjoy, from a large portion of the community, a degree of countenance, sympathy, and even protection, which he would now look for in vain. Should the change of popular sentiment take place, where, it may be asked, is the security of the revenue? Would even a navy along our immense line of seacoast be a sufficient protection? We may guard against smuggling in the immediate vicinity of our principal ports, but what is to prevent it on our northern frontier, and in our numerous bays and inlets, from Maine to Florida? Beside, the diminution of the revenue which would arise from smuggling, there would be a still greater reduction in consequence of the enormous duties contemplated by the proposed bill. All the lower-priced cotton goods, flannels, and other coarse woollens, hemp, iron, alum, coppers, guns, most of the enumerated articles of hardware, and many other articles which now pay to the Treasury large sums in duties, would either cease to be lawfully imported, or would be brought into the country in small quantities; and the Government would have to resort to some mode of taxation, bearing upon *every part* of the community, in order to supply the deficiency occasioned by exclusive encouragement to a particular interest.

The revenue would also decrease from a general decrease of commerce and navigation. If we prohibit or extravagantly tax foreign productions they cannot be imported into our country, and if we do not buy from other nations what they have to sell and what we want, can it be expected that they will take from us our commodities? If

we do not buy, we cannot sell: for, on the supply of mutual wants is founded all the intercourse and all the commerce of nations, and when they cease to be mutual they cease to exist. Restrictive systems first operate on commerce, then on navigation and agriculture, and when those great interests are prostrated, they necessarily bring down with them the revenues of the Government.

But, perhaps it will be said that the great increase of American manufactures will make up not only the deficiency of supply, but the deficiency of the revenue; that period *may* be within our prospect, although we have not yet seen its approach; whenever it does arrive we will readily acknowledge that we have been mistaken in all the views which we have entertained; and will cheerfully yield to the manufacturing interest every encouragement which it demands.

A principle which runs through the proposed bill has particularly attracted the attention of your memorialists. That spirit of patriotism which proposes to tax the many for the benefit of a few, proposes, also, to lay the burden on the poor and to exempt the rich. Those articles which are consumed by the poorer and more laborious classes of our inhabitants, are loaded with enormous duties, while those used almost exclusively by the rich, are taxed at a comparatively low rate. A few instances will illustrate this position. The duties on low-priced cotton goods, on cheap flannels, and low-priced woollens, will, according to the proposed bill, be from 60 to 100 per cent.; and on low-priced guns, 140 per cent. on the first cost. These are almost exclusively used by the least wealthy part of our population; while the fine cottons which pay 25 per cent., fine broad-cloths which pay 50 per cent., and elegant fowling pieces, which, by this unskilful project, will pay 6 per cent. only, are almost exclusively used by the rich.

Another feature of the bill before your honorable body is equally partial and impolitic. The Constitution of the United States was instituted, not only to "form a more perfect union," but to "establish justice," and "promote the general welfare." Hence, the burdens on the people should be as equally distributed as is possible, and laws which impose taxes having a *sectional* bearing, ought to be carefully avoided. It is well known that, in a number of the states of our Federal Union, there are few or no manufactories, and that the inhabitants of those states are almost exclusively agriculturists. Is it just, is it politic; will it contribute to promote those feelings of common interest, and mutual kindness, on which this Union was founded, and which are its strongest cement, to lay onerous duties on the consumption of the inhabitants of those states, in order to establish great workshops in other parts of our country? If this is done, it may not be the sole evil, or the least injury, which the bill in question will inflict on the citizens of the South. It may lead to results which will jeopardise the value of cotton, the great staple of that section of the Union.

The bill proposes duties which are nearly, if not quite, prohibitory on most of the manufactured cotton goods which are derived from

Great Britain. If this should lead to countervailing duties on the part of that nation, their bearing and consequences may be imagined from a few important facts. In 1823, there was imported into Great Britain more than 420,000 bales of cotton from the United States. During the year 1822, the manufactured cotton goods, of every description, imported into the United States from Great Britain, after adding 20 per cent. for wastage on manufacturing, was equal in weight to 36,444 bales of cotton, of 300 lbs. each. In 1823, the quantity may amount to 40,000 bales. Great Britain is, therefore, our customer for 420,000 bales, and we are her customers for 40,000 bales. If we impose prohibitory, or very heavy, duties on her manufactured goods, may she not meet us by a countervailing duty on American cotton? The culture of cotton is extending in Spanish and Portuguese America, in India, and other parts of the world; and we may, by our own mistakes, raise up successful competition in the greatest staple our nation can boast of. A duty in Great Britain on American cotton, or a bounty on the cotton of her Asiatic dependencies, of two pence sterling per pound, would introduce annually into her manufactories many thousand bales of India cotton, to the exclusion of the cotton grown in the southern and western sections of this Republic.

It is painful to your memorialists to perceive, that, while the nation just alluded to is beginning to see the advantages of a free commerce, and the evils of restrictive laws, and her statesmen are about to form their systems of trade on the principles of true political economy, attempts are making in the United States to induce the national government to adopt a narrow and retrograde policy, and to persuade our legislators that prohibitory regulations and laws, calculated to promote partial and exclusive interests, such as have disgraced Spain and China, are the most wise and politic. The old maxim, to sell dear and to buy cheap, is inverted; and it is now found that to pay high and to sell low, is the true road to national wealth and prosperity. It was formerly believed, that *national industry* consisted in the growing of cotton, rice, flour, tobacco, ashes, flaxseed, sugar, raising of beef and pork, the building of ships, navigating them, and in the numerous trades inseparably connected with commerce; now, *national industry* is ingeniously construed to mean labor in manufacturing establishments.

Your memorialists readily admit, that, on some articles of luxury, there may, without disadvantage, be an increase of duty, should the exigencies of the government demand it; and that the existing tariff requires some modifications; but such modifications, to be useful, ought to be gradual, and to be founded on the wants and feelings of the various interests of the community. It is not to salutary changes that we object, but to a system of prohibition and exclusion; a system calculated to raise up one interest and to prostrate every other. We feel not the slightest hostility towards our fellow citizens who are occupied in manufacturing; it gives us sincere pleasure to believe, that they are now engaged in the most profitable branch of industry, and we hope

they will continue to do well. These sentiments, while they are sincerely entertained, are, at the same time, perfectly consistent with the opinion, that the manufacturer has no more right to the favor and protection of his Government, than the farmer, the mechanic, the navigator, or the merchant.

Your memorialists fully believe, that the bill now before your Honorable Body is unjust in its principles, and injurious in its details; that it is calculated to produce unhappy effects on the interests of the great body of citizens, while it cherishes and elevates the interests of a particular part; that if it should, without material alterations, become a law, it will promote smuggling, impair the revenue, lessen confidence in Government, and prove injurious to commerce, navigation, and agriculture; and that it is contrary to the spirit of the Constitution under which we live. Sincerely impressed with the truth and importance of these opinions, we feel it to be our bounden duty to remonstrate against the said bill, and to pray your Honorable Body, that it may not become a law of the land.

WM. BAYARD, *President.*

JOHN PINTARD, *Sec'y.*

New York, January 30, 1824.